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As an Opera Ends, Italy Gets Ready To Face the Music

New Europe May Sound Knell for the Pork Barrel

By Alan Cowell
New York Times Service

ROME — For decades, Italian politics have been laughed off by many outsiders and insiders as somewhere between comic opera and soap, in any event a sideshow to what was really happening: a burgeoning economy and the accumulation of wealth that made this land the fifth richest in the industrialized world. This year, as Italy faces a watershed in its dealings with Europe that challenges the basics of the way the country itself is run, something has changed.

Midway through the final 12 months leading up to the start of European integration, many Italians are beginning to sense that the markers are being called in. The years of pork-barrel politics, economists argue, were not so much a sideshow as a tragedy that many sought to hide or ignore.

And despite the Armani suits, cellular phones, and speedy, late-model cars that are the emblems of the country's smart-set business elite, senior politicians and economists are now arguing that Italy risks being classified as a sick man of Europe, which will slow the entire progress of integration.

"Let's be careful because Europe cannot wait," Oscar Luigi Scalfaro said when he took office as president last week. Either Italy puts its house in order, he said, "or we show the world that we are not fit to enter Europe with due seriousness and dignity."

Carlo Ciampi, the governor of the Central Bank, added: "Solutions are needed immediately, in the next few weeks. Otherwise, the problems will get worse and relegate our economy to a secondary position in Europe. We could be held responsible for becoming an obstacle to the whole construction of Europe."

The reasons for the alarms are various, but they come down to a simple and fundamental conflict between European and Italian conceptions of economic management.

From the beginning of 1993, the European Community will begin to demand of its 12 member governments increasingly rigorous standards of fiscal management of a kind Italy has never known. Countries that do not meet the standards will be excluded from the community's main decision-making processes as it moves toward full economic and monetary union by the end of the century.

Yet for more than 40 years, Italy's Christian Democrat-dominated governments — glued in place by an odd combination of the Cold War, the Roman Catholic Church, and corruption — have come to be viewed as laissez-faire arrangements equated solely with the dispensation of patronage, too fearful of losing votes to promote austerity, too weak to enforce policies.

When the country's leading anti-Mafia investigator, Giovanni Falcone, was assassinated recently in Sicily, the bombers' message was interpreted here as simply a magnified expression of the national sentiment that state authority may be defied with impunity.

Moreover, a widening corruption scandal in Milan has uncovered institutionalized graft by which the leading political parties secured "commissions" on public works contracts that enabled them to finance their own patronage networks.

"Italy is not a democracy," said Indro Montanelli, editor of the



TOAST TO BETTER TIES — President Frederik W. de Klerk of South Africa, left, raising a toast Monday at a dinner in the Kremlin with President Boris N. Yeltsin. The visit marked the end of 35 years of diplomatic rancor. The two reached maritime and air accords. Page 2.

The Japanese Give Up on New Wave of Computers

Vaunted Threat to U.S. Of a New Superiority Fails to Meet Its Goals

By T. R. Reid
Washington Post Service

TOKYO — Japan officially closed the books Monday on its vaunted "Fifth Generation" computer project, acknowledging that its decade-long research effort had not been able to displace U.S. leadership in supercomputer technology.

When the Ministry of International Trade and Industry began the project in 1982, it sparked a near panic in the United States. With a goal of producing a new world of computers that could solve problems with human-style reasoning, the plan spawned predictions that it would do to Silicon Valley what Japanese car-makers have done to Detroit.

In fact, as both Japanese and U.S. specialists agreed at the project's closing seminar on Monday, the "new world" of computing power has not been achieved.

"In terms of applications for the world market, they fell way short of their goals," said Edward Feigenbaum, the Stanford University scientist whose 1983 book "The Fifth Generation" described the project as "Japan's computer challenge to the world."

"It's like they gave a very expensive party, and nobody came," Mr. Feigenbaum said. The project never caught on with Japanese computer companies, Mr. Feigenbaum said. "They had some real success on a technical level," he said.

"But they haven't produced applications that will make a difference."

"We see criticism from inside and outside our country claiming that the project has failed," acknowledged Kazuhiro Fuchi, the prominent

Arafat Undergoes Brain Surgery for Crash Injury

Compiled by Our Staff From Dispatches

AMMAN, Jordan — Yasser Arafat, the head of the Palestine Liberation Organization, underwent surgery on Monday to remove blood clots from his brain resulting from injury in a plane crash in Libya in April, doctors said.

Dr. Youssef Ksout, director of medical services at the King Hussein Medical Center, said Mr. Arafat, 62, was conscious and "in a good, stable condition" after the 90-minute operation, which was performed by Jordanian doctors.

The doctor said the longtime guerrilla leader was admitted to the hospital Sunday for tests after he complained of recurrent headaches.

Doctors detected a subdural hematoma, or a clot, caused by bleeding in the brain, and told Mr. Arafat he should have surgery.

"It was not a life-threatening situation," Dr. Ksout said.

Mr. Arafat suffered a "severe head bump" during the crash that caused bleeding in his brain, he explained.

"When we opened the skull today we found a collection of blood clots which were all successfully removed."

Mr. Arafat was awake and was expected to be discharged in a maximum of three days.

"What happened to him is a result of the crash he incurred on April 7 and this is known to occur," the doctor said.

Dr. Ksout said that when Mr. Arafat regained consciousness his first request was for a glass of water.

Palestinian and Jordanian officials said King Hussein was at the hospital during the operation and left after Mr. Arafat regained consciousness.

Mr. Arafat seemed to be in relatively good health after arriving in Amman on Saturday from Damascus although he wore a fur hat in the June heat and was uncharacteristically vehement in his comments.

Arriving at the airport he described Israel as the "Zionist, extremist, fanatic entity," an expression that an aide later described as "a slip."

The Palestinian mission in Amman told reporters earlier on Monday that Mr. Arafat had left for Baghdad. A spokesman later said that had been a ruse designed to cover Mr. Arafat's hospital stay.

Japan reaches a symbolic compromise on its UN peacekeeping role. Page 7.

computer scientist who directed the 10-year research effort, in a defensive keynote address. "It is impossible to complete a highly intelligent system in 10 years."

Computer specialists here said they were not impressed by the major news of the session on Monday, the announcement by Kojo Watanabe, minister of international trade and industry, that Japan would make all the software produced by the Fifth Generation project available for free.

"Of course it's generous of Japan to give this software away," said Ross Overbeek, a U.S. computer scientist from the Argonne National Laboratory. "But let's face it, nobody would pay for this stuff. It will only run on the machines they built for this project, so who can use it?"

Mr. Fuchi, the project director, said the ministry would seek to adapt Fifth Generation software so it runs on other machines. But he was not clear as to when this could be done or how much it would cost.

The seminar this week, a specialized forum featuring papers on such arcane as "Upside-Down Meta Interpretation" and "Acyclic Disjunctive Logic with Abductive Procedures," constituted a decidedly low-key conclusion to a project that was once viewed as the foremost computer research effort in the world.

Consequently, the fate of the Fifth Generation

Kiosk

French Cabinet Survives Vote

PARIS (AFP) — The Socialist government of Prime Minister Pierre Bérégovoy narrowly survived its first confidence vote Monday. The motion, over the new Common Agricultural Policy of the European Community, was only 3 short of the 289 votes that would have toppled the government.

The narrow call resulted from a Communist Party decision to break with past practice and join the rightist opposition in voting against the Socialists. Mr. Bérégovoy's government, named on April 4, survived because of two nonlist deputies abstained and a third mistakenly thought he had given one of his colleagues power to vote in his name.

Business/Finance

Manufacturing is looking stronger in the U.S. Page 9.

Sports

Weather knows best? Mary Pierce's dad thinks so. Ian Thomson reports. Page 17.

Dow Close The Dollar in New York

DM	1.806
Pound	1.8255
Yen	127.025
FF	5.3945

Crossword Page 13.

After a Lot of Wavering, Danes Tilt to 'Yes' on EC Pact

By Craig Whitney
New York Times Service

COPENHAGEN — After months of debate over whether to ratify the far-reaching treaty on European union signed in December by the 12 European Community states, Danish voters appeared to be moving to a "yes" vote in a referendum Tuesday.

A "no" vote in the referendum, the first on the treaty in any European country, could force a renegotiation or even scrapping of the accord. It has to be ratified by the end of the year to take effect.

Public opinion polls over the past months have sometimes shown more Danes against the treaty than for it. But the latest Gallup telephone survey for the newspaper Berlingske Tidende and the Danish radio showed 44 percent for and 35 percent against, with 13 percent undecided.

The debate included television talk shows, poster battles in the streets and a huge rally against the treaty on Sunday.

Every family in the country received a copy of the treaty's impenetrable prose, courtesy of the Danish government,

which is now beginning to think it will prevail on the issue.

"Even in the darkest days of the polls, I was convinced that we'd win," Uffe Ellemann-Jensen, Denmark's foreign minister, said in an interview. "How could there ever have been any doubt? Well, Danes are doubters. You just have to read your Hamlet to understand that."

Opponents of the treaty on European Union, which was signed by leaders at Maastricht, the Netherlands, continued the battle for public opinion all day.

A "no" vote would throw the entire

One Summit, Differing Goals

By Eugene Robinson
Washington Post Service

BUENOS AIRES — The developing world wants essentially two things from the Earth Summit starting here Wednesday — money and technology. But the Third World is not thought likely to get very much of either, at least in the short run.

Even optimistic officials of developing countries have begun to lower their expectations, now describing the conference as just the first step in what they hope will be a long process.

Some see pitfalls even if that process eventually leads to a significant transfer of resources and know-how from the industrialized north to the underdeveloped south. They fear that aid will come with so many strings that some countries may have trouble accepting it.

Kamal Nath, India's minister of environment and forests, said of developed countries: "They say: 'Yes, we are the major polluters, so we must pay. But now that we pay, we must dictate also.' That is the ridiculousness of it. I don't think you can shove the environment down anybody's throat."

The meeting in Rio, billed as the largest such gathering in history and expected to feature enough heads of state to create motorcade gridlock, is officially known as the United Nations Conference on Environment and Development. But while the industrialized world sees the focus as being on the environment, poor countries put the emphasis on the need to develop.

The conference comes as the world's wealth continues to concentrate in the hands of the rich. The UN Development Program says 23 percent of the world's people receive 85 percent of its income. More than 1 billion people live on incomes of less than a dollar a day.

The ranks of have-nots continue to grow rapidly. Despite the efforts of some developing countries, like China, to lower birth rates, UN demographers expect global population to double to more than 10 billion by the middle of the next century, with most of the increase coming in the poorest countries.

But while the population boom has an impact on the whole range of environmental concerns — carbon-dioxide emissions, deforestation, water pollution, extinction of



A Sarajevo resident carrying his son from their home to a nearby shelter on Monday as warning sirens wailed. Meanwhile, Serbian fighters vowed to outlast United Nations sanctions. Page 2.

UN Begins Crackdown On Serbian Expulsions

By Chuck Sudetic
New York Times Service

BELGRADE — United Nations officials said here Monday that peacekeeping forces had begun cracking down on "ethnic cleansing" activities in Serbian-held eastern Croatia and called on local Serbian authorities to prosecute 10 individuals suspected of terrorizing Croats and other non-Serbs into abandoning their homes.

Western diplomats said that the call for the arrests marks the UN's most significant step yet toward restoring the rule of law in Croatian territories held by rebel Serbs and that the Serbian response will be seen as a test of the good faith of the Serbian leaders toward the UN peacekeeping operation.

In another development, Serbian irregulars, less than two hours after a UN-mediated cease-fire came into force, resumed shelling Sarajevo late on Monday, residents said.

A Western diplomat said that Serbian gunmen have forcibly driven about 1,500 Croats, Hungarians, Ruthenians and Ukrainians from their homes in occupied eastern Croatia since Feb. 17. Tens of thousands of the region's people have been forced to flee.

About 200 people have been expelled since 14,000 UN troops began operations in eastern Croatia on May 15, said Cedric Thornberry, chief political affairs officer for the UN force.

"It is going to be extremely difficult," he said.

In Political Hollywood, Right Is Wrong

By Alessandra Stanley
New York Times Service

LOS ANGELES — The young Hollywood agent was at his regular table at Joss, a fashionable Chinese restaurant here, looking tanned and casually elegant in an Italian silk tie and a boxy suit from Barney's New York.

There was little to distinguish him from half a dozen other young Hollywood agents and writers picking at \$15 plates of prawns, sipping sparkling water and talking deals. Except one thing.

Deep in his heart, he said, he cheered when a convicted murderer, Robert Alton Harris, was executed in San Quentin Prison last month. During the Senate hearings on the nomination of Clarence Thomas to the Supreme Court, he felt certain that Anita Hill was lying. He even thought Dan Quayle might have had a point about Murphy Brown.

He is a closet conservative, who agreed to discuss his political views only on the condition that his identity be withheld. In Hollywood he is not alone.

There are many other people in the entertainment industry who say they do not feel free to express their views. They describe themselves as Hollywood's only persecuted minority, victims of what one writer called "reverse McCarthyism."

"It is not socially acceptable to be conservative," said Lionel Cherwynd, one of few filmmakers in Hollywood willing to speak openly. Mr. Cherwynd said he had been a virtual pariah ever since his patriotic film about Vietnam POWs, "Hanoi Hilton," was dismissed as rightist propaganda by Hollywood's intelligentsia. (The film was not a commercial success.)

In a business where judgments about talent and ability are often subjective, Mr. Cherwynd argued that "being liked and well-thought-of can be the difference between making a living and bone-chilling obscurity."

For every outspoken conservative movie star — Arnold Schwarzenegger, Tom Selleck, Charlton Heston — there are any number of actors, writers and producers who say they dare not deviate from the liberal consensus that symbiotically binds studio executives and celebrity advocates, party-givers and deal makers.

Los Angeles and neighboring Orange County may be home to some of the most conservative communities in the country, but Hollywood has always been a liberal enclave.

There, charity begins at the studio, and benefits for the homeless or against apartheid are often viewed as places where agents and

See STARS, Page 6

Herald INTERNATIONAL Tribune

With Kurds and Turkey

An important new element has been put in place to save Iraq's 4 million Kurds from a still threatening Saddam Hussein. It consists of their first free and fair elections...

Reforms From Ramos?

Elections in the Philippines are frustrating, even chaotic affairs. There were seven presidential contenders among 17,000 local candidates covering 7,100 islands...

A Reckless Amendment

Gargantuan deficits threaten American economic growth, so Congress wants to approve a constitutional amendment mandating a balanced budget. Problem solved? No, problem worsened.

Other Comment

Calling Belgrade to Account

With its decision to impose sanctions, the United Nations Security Council has for the first time openly blamed Serbia for the atrocities inflicted in the Yugoslav conflict.

and the president are experienced enough to know that history cannot be expunged in this way. With certain honorable exceptions, (British) newspapers stank of appeasement.

Europeans can insist that they spared no diplomatic effort to try to settle the Yugoslav crisis, but it was only when the United States started attending to a conflict in which it had no major interest...

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The West Should Act Now to Defuse the Balkans

By Leslie H. Gelb

NEW YORK — As Serbian leaders gobble up chunks of Bosnia and Croatia, they count on one thing: that the West will not use force to stop them.

Slaughter in Bosnia could ignite wider Balkan wars and even broader regional bloodshed, with calamitous consequences for Europe.

By the killings that they are considering the only action that can halt the slaughter — military intervention. Such murmurs can now be heard in Western capitals, although the emphasis remains on inducing popular revolt against Serbia's self-destructive leadership.

Prompt Aid Can Avert Famine in Southern Africa

By Lionel Rosenblatt

WASHINGTON — Famine is bearing down on southern Africa. At least 18 million people are at risk of perishing. Only immediate, large-scale assistance can head off starvation.

We must learn to respond to emergencies before there is a huge loss of life.

Some 50 to 90 percent of the corn crop, the staple food, has failed in the worst drought of the century. This crop loss is far worse than that experienced in Ethiopia and surrounding countries in 1984 and 1985.

And So Finland Will Embrace the Hairy Monster

By Jim Hoagland

HELSINKI — In America it is called a balanced budget amendment to the Constitution. In Finland it is called the European Community. They are the same thing: a great hairy monster that politicians conjure up to frighten themselves (and voters) into responsible action.

That irrelevant and somewhat inexact parallel came to mind as I listened to Esko Aho, Finland's personable young prime minister, explain why Finland is abandoning its traditional concept of Nordic neutrality and isolation to seek EC membership.

Some Asians Find Peace In Growth

By George Hicks

HONG KONG — Ethnic strife in Yugoslavia and the parts of the former Soviet Union, and the recent trouble in Los Angeles, have led many observers to conclude that ethnic wars, not ideological conflicts, are the wave of the future.

Western governments could do worse than look to this corner of the world, where long-standing racial and religious differences are slowly being resolved, instead of being inflamed.

In Malaysia, for example, a population of 18 million is split roughly between Muslim Malays (50 percent), Chinese (30) and Indians and other South Asians (8). By comparison, the 4.5 million inhabitants of Bosnia-Herzegovina are divided between Muslims (40 percent), Serbs (32) and Croats (18).

There are many reasons Sarajevo is being torn apart while Kuala Lumpur is one of the world's great boom towns, but economic factors have the greatest claim to attention. In May 1969, Kuala Lumpur erupted in bloody riots between Malays and Chinese. In response, the Malaysian government launched a New Economic Policy which directed moderate redistribution of income toward have-not Malays.

Through the 1970s and '80s, per capita GNP in Malaysia rose, after adjustment for inflation, by an annual average of 4 percent, one of the fastest growth rates in the world.

Singapore is another multiracial country where racial tolerance is undiminished by spectacular but well-distributed economic growth. The island state, which has just over 3 million people, is 78 percent Chinese. Muslim Malays form 14 percent and South Asians 6 percent of the population.

Like Malaysia, Singapore had serious racial riots in the past. Underlying ethnic and religious tensions linger. But since independence in 1965, the breathtaking scale of economic progress and the provision of equal opportunity in education, housing, health care and employment have taken the heat out of ethnic relations.

In a world where ethnic strife is spreading, Southeast Asia teaches the obvious lesson that, those who are getting richer fast, or have hopes of doing so, see no reason to be at their neighbor's throat.

The danger is that a sustained economic downturn could revive ethnic animosities in Southeast Asia. It would be wrong to assume that after centuries of enmity, Southeast Asians have learned to love their neighbors in all circumstances.

The writer is an economist who is preparing a book on the Chinese in Southeast Asia. He contributed this comment to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Poor Little Queen

PARIS — Serious people are sometimes very funny, without intending it. The poor little Queen of Holland, who is not twelve years of age, has just been dragged to Berlin to return the visit which the Emperor William II paid last year to The Hague.

1917: No Conversations

PARIS — M. Ribot, the French Premier, delivered a momentous speech in the Chamber of Deputies yesterday (June 1), in which he announced that the Government will refuse to grant passports to enable French Socialists to take part in the Stockholm

International Conference. "When France is occupied by our enemies it is right that we should enter into conversations," he said. "Such a project might have a harmful influence on public opinion and even discourage our heroic army itself."

1942: Canterbury Hit

CANTERBURY — [From our New York edition:] Ancient Canterbury, fourth of the "three-star" cities to be bombed in German "Baderkett" raids, was going about its somewhat disorganized business today (June 1), while begrimed troops, police and rescue squads were still working amid the ruin and devastation rained down by the Luftwaffe in its "revenge" air attack of midnight last night. Since the Germans declared their intention of razing cathedrals and other architectural treasures in their "guide book" raids, the British feel there are some security reasons for keeping them in the dark as long as possible as to the fate of their objectives.

Water U A Perot

Herald

OPINION

Water Under the Bridge? A Perot Mystery Deepens

By William Safire

LONDON — Why, after nearly four decades, did Ross Perot feel he needed to present a new justification for leaving the U.S. Navy? And is he now telling the truth — or is he defaming the man who was his commanding officer to cover up his original reason for seeking a hardship discharge?

He zipped his lip.

Then Mr. Scott, who retired from the navy in 1962, checked in from Sunnyvale, California. "It's absolutely, totally untrue," he said, flabbergasted by this attack from someone to whom he gave good fitness reports and whose political petition he had signed.

"I never asked him about my cabin. You don't do things like redecorating a cabin on your own; that's handled by BuShips," the Bureau of Ships.

Drugs? Booze? God's name in vain? "Look, sailors will ease, but it was of a minor nature. And as far as issuing narcotics and liquor — all that would have been audited by three officers."

Was he put on report by his junior officer? "I never heard officially or unofficially about that — I guess he must have done it on the Q.T. But then I received a commendation for my performance as captain of the Sigourney, and after that I was assigned to the Polaris program under Admiral Radford — neither of which would have happened if there were any shadow on my record."

Mr. Perot is suddenly silent. The New York Times.



Germany, 1932

I'M SICK OF THOSE POLITICIANS! WE NEED A LEADER! SOMEBODY TO GET US MOVING! WE NEED JOBS! SOMEBODY TO MAKE US PROUD TO BE NUMBER ONE AGAIN!

1,046 Bombers but Cologne Lived

By Max G. Tretheway

BRUSSELS — Devastated on the night of May 30, 1942, by the first of the Royal Air Force's 1,000-bomber raids on Germany, Cologne today stands tall and proud as its awe-inspiring Gothic cathedral, in refutation of the military dictum then prevailing that wars could be won merely by destroying the enemy's main cities and thereby shattering civilian morale.

much higher except for air-raid shelters and the deep cellars under so many homes in old Cologne.

When survivors of the world's first 1,000-bomber raid ventured warily out of their shelters, there before their unbelieving eyes, towering majestically above the hellish carnage stood their beloved cathedral — superficially damaged, but with its twin spires still silhouetted defiantly against the bomber's moon.

This miraculous sight strengthened the people's morale and determination through the rest of the war, as the Allies continued to pound an already flattened city long after any real targets remained.

Instead of falling prey to the hysteria expected of them, the citizens of Cologne displayed the same sort of stoicism that so many British civilians had shown in the earlier blitz of London and other cities. Within two weeks of the May 30 bombardment, life in Cologne was functioning almost normally, though the population had been reduced considerably by the evacuation of many young and old people to less vulnerable areas.

Cologne, which had been on the receiving end of about 1,200 RAF sorties before May 30, was to be deluged by an additional 20,000 metric tons of bombs before the war ended. Many of the bombs were dropped by the high-flying B-17s or Flying Fortresses of the U.S. Air Force.

The city's population shrank from a 1939 level of 768,353 to a mere 40,000. But by December 1945 the numbers had grown again to 447,600, as people returned to clear up the rubble and begin the work of reconstruction.

Typical testimony to the success of this work was the cathedral, the largest of its kind in Europe, with twin steeples towering 515 feet (155 meters) above the city. The restoration of the lofty high choir was completed by 1948, and services were resumed in the nave in 1956. Its nine bells, the largest of which weighs 25 tons, still summon the faithful to worship.

(Aerial bombardment has a longer history than is generally known. The revolutionary notion of dropping bombs from the air was tested by Italy in its 1911 war with Turkey. Small cargoes of bombs were unloaded on Tripoli in that year, to little decisive effect. And in 1849, Austrian forces launched hot air balloons containing small explosive charges against Venice. Most of the balloons exploded in the air or fell into the water, however, and the city later surrendered not because of the bombs but because of cholera and starvation.)

In Britain, the theory of strategic air attacks was developed by the newly founded Royal Air Force after the 1915-16 attacks on London by Zeppelin airships and the 1917-18 forays by German Gotha bombers. But Britain's bomber force at the end of World War I com-

prised only nine squadrons, which included only three aircraft capable of bombing Germany. Even on the eve of World War II, the RAF, victim of penny-pinching during the Great Depression, possessed no force capable of an effective and sustained strategic bombing of Germany.

That situation changed rapidly after the Battle of Britain, which stopped Hitler's plans to invade the British Isles and focused the War Cabinet's attention on a counteroffensive in Europe.

The only avenue for such an offensive at that time being the air, the British Bomber Command was directed early in 1942 to concentrate its operations "on the morale of the enemy civil population, and in particular on industrial workers."

Churchill's decision to concentrate the air war on German cities was made on the advice of his scientific adviser, Frederick Lindemann, who was German-born. Lord Cherwell, as he was titled in 1942, told Churchill that every ton of bombs dropped on Germany, in his estimation, would make 100 to 200 people homeless.

And the destruction of a person's home, Lord Cherwell argued, would do more to shatter his morale than would the deaths of relatives or friends.

If the RAF concentrated its resources on building and deploying bombers, it would be possible, Churchill was told, to destroy half of all homes in the larger cities of Germany, as well as inflicting crippling damage on factories and communication lines. And so the bombing campaign over Europe proliferated, and continued for three years.

The Allies released an incredible total of 1,996,036 metric tons of bombs on Germany and German-occupied Europe, more than half of which fell on cities and communication facilities. Some 593,000 civilians were killed, and 3.3 million dwellings were destroyed, leaving 7.5 million people homeless.

The most frequently bombed city was Berlin; many other urban areas were close behind.

And yet it was necessary for the Allies to invade the Continent, and to fight to the very gates of the capital before Germany finally capitulated in May 1945, three years after the first saturation bombing of Cologne.

The writer was a flight lieutenant and flying instructor with the Royal Australian Air Force during World War II; some of his students flew in raids on Cologne. He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Denmark and the EC

While visiting the south of France, I happened to read William Pfaff's article on the Maastricht treaty ("Europe's Unity March Comes to an Awkward Pause," Opinion, May 20).

Contrary to what he says, German citizens may not own summer houses in Denmark; this is not an issue in the June 2 referendum. Indeed, a clause in the Maastricht treaty protects Danish summer houses from being purchased by foreigners.

Also, the president of the EC Commission, Jacques Delors, has not yet proposed an increase in commission powers. After Denmark protested, he said there were no immediate plans to decrease the smaller nations' power.

Mr. Pfaff says that for all practical purposes currency union already exists. This is not true. A timetable set up by the Maastricht treaty will phase in currency union during a period ending in 1997.

Finally, he asserts that European identity already exists. This is wishful thinking at best. We are in a long process of transcending national and cultural differences — it is not over yet.

HANS-HENRIK HOLM, Aarhus, Denmark.

Danes' fear of giving a kind of annex to Germany.

The Delors proposals on increased powers for the Commission were leaked, not published, and are not dead; there have to be increased powers if the Community is to expand and still be able to function. Mr. Holm's other complaints are matters of judgment; unsurprisingly, I prefer my own.

A Foie Gras Diversion

For months we had been puzzling over the ink spilled in the name of foie gras consumption. Had foie gras somehow become a postmodern, post-Me Decade joke? Or did this intensive coverage merely represent a cynical attempt to manipulate the foie gras market?

Now, following Mitchell Davis's most righteous piece ("Much Ado About Foie Gras Ethics," Meanwhile, May 26), the truth finally dawned upon us. You're taking attention away from the beluga lovers — for which we extend our grateful thanks.

DOMINIQUE J. ROUSSEL, Paris.

Call It What It Is

Regarding the report "Too Hot for the French Melting Pot" (May 23): While I read this article with interest, I felt that William Drozdzak's reference to the prosecution of Muslim mothers who had their daughters "ritually circumcised" was misleading. The term

suggests an anthropological event, as benign as the more widespread male circumcision. In fact, this practice amounts to the mutilation of baby girls.

DONNA EVLETH, Paris.

Only One Macedonia

Regarding the editorial "Recognize Macedonia" (May 17): The United States is being encouraged to recognize a Slavic state called the "Republic of Macedonia." To do so would be to recognize a Macedonian nation and nationality, which do not exist. The inhabitants of that part of the former Yugoslavia are mostly Slavs and Albanians. What is so Macedonian about them?

Tito and Stalin invented the "Republic of Macedonia" in place of the Serbian province of Vardanska Banovina, in hopes of gaining an outlet to the Aegean. Recognizing this republic would be a disaster for the Balkans and for Greece, a U.S. ally, undermining 4,000 years of documented history, as well as today's boundaries, stability and peace.

CHRIS MASTORAS, Athens.

Friends of Afghanistan

Regarding "When Your Former Prizes Become the Problem" (Opinion, April 21) by Leslie H. Gelb: I cannot speak for official U.S. policy, but I know that there are thousands of former Peace Corps volunteers, Agency for International Development workers, State Department employees and other Americans who care deeply about Afghanistan, and their concern has nothing to do with the Cold War. We had the privilege of working among the Afghans, we agonized at their suffering, and we rejoiced at their newfound freedom.

One wonders what Mr. Gelb would have done differently had he been in control of U.S. policy on Afghanistan from 1979 onward. Wars are messy and often their aftermaths are no less so. But one can look with admiration at what the Afghans have achieved, applaud their new sense of unity, wish them well, and continue to support them as they start the long and difficult process of reconciliation and reconstruction.

DON C. YAGER, Muscat, Oman.

Getting a Jump Start

After more than 40 years of faithful reading of the Herald Tribune and 40 years of having to jump, exhaustingly, from the front page to the newspaper's midsection to read stories through to their ends, I have finally found the solution: One need only read all of Page 1 first, then go to the inside page and complete one's reading. This is not only a relief, it is a superb exercise in memory!

RUSSELL M. PELTON, Waterloo, Belgium.

Subscription advertisement for the International Herald Tribune. Features: Save up to 46% off the newsstand price, Risk-Free Trial Period (notify within 4 weeks for a full refund), Free Bonus Issues (see table below). Includes a table of subscription rates by country and currency, and contact information for the International Herald Tribune.

Advertisement for Philip Morris Super Lights. Features: PHILIP MORRIS SUPER LIGHTS, THE UNIVERSAL TASTE OF LIGHTNESS. Includes an image of a pack of cigarettes and a lit cigarette.

MARKET DIARY

Dow Hits Record, Propelled by Data

Compiled by Our Staff From Dispatches NEW YORK — U.S. stocks closed higher Monday, as positive economic statistics and computer-aided buy orders propelled the Dow Jones industrial average to a record high.

N.Y. Stocks

The New York Stock Exchange. Trading was moderate, with 181 million shares changing hands, down from 207.7 million on Friday. The Dow fell as low as 3,373.29 in initial trading, following a 1.87 percent drop overnight in Japanese equities and weakness in the bond market prompted by a stronger-than-expected purchasing managers report.

The National Association of Purchasing Management said activity in the U.S. manufacturing sector increased in May for the fourth consecutive month, while the overall economy grew at its fastest rate in almost four years. The employment component of the index was particularly strong,

INDUSTRY: Growth in May

(Continued from first finance page) Friday's close of 127.55. But after Mr. Brady's comments welcoming the Bank of Japan intervention, the dollar retreated to close in New York at 127.025.

Foreign Exchange

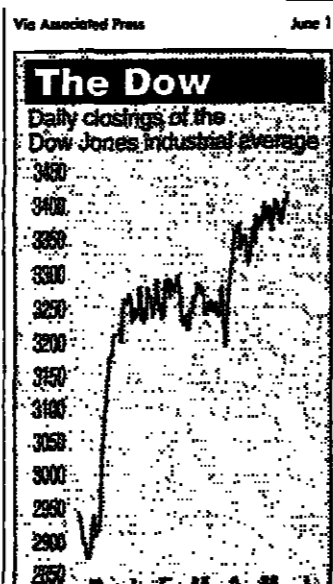
The U.S. currency also closed off its highest since the Swiss franc, at 1.4538 compared with 1.4570 Friday, and against the French franc, at 5.3945 compared with 5.4010. The pound closed higher at \$1.8255 after \$1.8285 Friday.

"The BOJ has recently performed very well in terms of intervention," said Satoshi Matsuda, chief customer dealer at Banque Paribas. "It seems to have acted at every key technical point, keeping the market nervous and reluctant to resist the official selling."

BOJ Intervention

The dollar had suffered early losses Monday as a result of airdrop intervention by the Bank of Japan, acting under pressure from the Group of Seven industrial countries to cut Japan's trade surplus by raising the value of the yen, Reuters reported.

After opening at 126.95 yen in New York, the dollar jumped to 127.30 as a result of the purchasing managers report, or almost back to



Dow Jones Averages table with columns for Index, High, Low, Last, and Change. Includes Industrial, Composite, and Finance indices.

Standard & Poor's Indexes table with columns for Index, High, Low, Last, and Change. Includes Industrials, Utilities, and Finance indices.

NYSE Indexes table with columns for Index, High, Low, Last, and Change. Includes Composite, Industrials, and Finance indices.

NASDAQ Indexes table with columns for Index, High, Low, Last, and Change. Includes Composite, Industrials, and Finance indices.

AMEX Stock Index table with columns for High, Low, Last, and Change. Includes Industrials and Finance indices.

Dow Jones Bond Averages table with columns for Bond, High, Low, Last, and Change. Includes 20 Year, 30 Year, and 10 Year Treasury.

Market Sales table with columns for NYSE, AMEX, and NASDAQ volumes and values.

N.Y.S.E. Odd-Lot Trading table with columns for Buy and Sell volumes and values.

S&P 100 Index Options table with columns for Strike, Call, Put, and Price. Includes various call and put options.

NASDAQ Diary table with columns for Advancing, Declining, and Unchanged stocks.

Amex Diary table with columns for Advancing, Declining, and Unchanged stocks.

Nasdaq Diary table with columns for Advancing, Declining, and Unchanged stocks.

EUROPEAN FUTURES table with columns for Close, High, Low, Prev. Close. Includes SUGAR, COFFEE, and METALS.

Food table with columns for High, Low, Last, and Change. Includes SUGAR and COFFEE.

Stock Indexes table with columns for Index, High, Low, Last, and Change. Includes NYSE and AMEX.

Industrials table with columns for Index, High, Low, Last, and Change. Includes various industrial indices.

Dividends table with columns for Company, Per Annum, and Ex-Div.

Financial table with columns for High, Low, Last, and Change. Includes S&P 500 and various futures.

Financial table with columns for High, Low, Last, and Change. Includes various interest rates and yields.

Financial table with columns for High, Low, Last, and Change. Includes various market rates.

Financial table with columns for High, Low, Last, and Change. Includes various market rates.

Financial table with columns for High, Low, Last, and Change. Includes various market rates.

Financial table with columns for High, Low, Last, and Change. Includes various market rates.

Financial table with columns for High, Low, Last, and Change. Includes various market rates.

Production of U.S. Autos to Increase DETROIT (Bloomberg) — U.S. automakers now plan to make about 16.5 percent more cars and trucks at their North American assembly plants in the third quarter than they did in the period a year earlier.

Rockwell's Nuclear Fine Is a Record DENVER (Reuters) — A U.S. judge on Monday fined Rockwell International Corp. \$18.5 million for violating environmental laws at the Rocky Flats nuclear weapons plant it once operated here.

CBOT Seeks Carbon Dioxide Market WASHINGTON (Bloomberg) — At a preparatory meeting to the United Nations Earth Summit, the Chicago Board of Trade proposed Monday setting up a global market for trading in carbon dioxide entitlements.

Northern Telecom Award Is Biggest TORONTO (Bloomberg) — Northern Telecom Ltd. said Monday it had received a \$913 million contract from Bell Canada for the supply of digital central office switches through 1993. It is the largest award in Northern Telecom's history.

U.S. FUTURES table with columns for Season, High, Low, Last, and Change. Includes WHEAT, SOYBEANS, and COFFEE.

Metals table with columns for Season, High, Low, Last, and Change. Includes COPPER, GOLD, and SILVER.

Grains table with columns for Season, High, Low, Last, and Change. Includes WHEAT and SOYBEANS.

Livestock table with columns for Season, High, Low, Last, and Change. Includes HOGS and CATTLE.

Financial table with columns for Season, High, Low, Last, and Change. Includes US TREASURY and BOND.

Financial table with columns for Season, High, Low, Last, and Change. Includes various market rates.

Financial table with columns for Season, High, Low, Last, and Change. Includes various market rates.

Financial table with columns for Season, High, Low, Last, and Change. Includes various market rates.

WORLD STOCK MARKETS

Table of World Stock Markets listing various international indices like Amsterdam, Hong Kong, Brussels, Frankfurt, Johannesburg, Madrid, Milan, London, Zurich, and Stockholm.

RISK: One Banker's Misgivings

(Continued from first finance page) "Delaying implementation would send wrong signals to the market at a time when banks need the market's confidence — more today than ever before," the Deutsche Bank chief said.

The ability of Japanese banks to meet the target has been impaired by the decline in the Tokyo stock market and banks in North America and Britain have been hurt by widening losses on real estate loans.

Bankers in London expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

Bankers in Tokyo expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

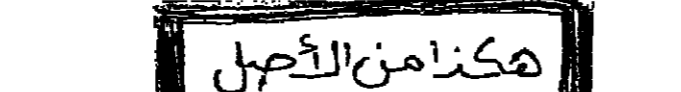
Bankers in New York expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

Bankers in Hong Kong expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

Bankers in Singapore expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

Bankers in Sao Paulo expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.

Bankers in Frankfurt expressed concern over the impact of a possible default on the debt contracted by the former Soviet Union.



U.S. FUTURES

Table of U.S. Futures listing various commodities like WHEAT, SOYBEANS, COFFEE, and METALS with columns for Season, High, Low, Last, and Change.

Table of U.S. Futures listing various commodities like GOLD, SILVER, and BOND with columns for Season, High, Low, Last, and Change.

NASD Monday & Pre-Close advertisement for NASDAQ market services.

معنا من الأجل

NASDAQ Monday's Prices

NASDAQ list with columns for stock symbols, bid, ask, and price. Includes sub-sections for 'New Issues' and 'Recent Issues'.

AMEX Monday's Closing

AMEX list with columns for stock symbols, bid, ask, and price. Includes a legend for symbols and a table for 'W-X-Y-Z' and 'O-P-Q-R'.

Notes regarding the table's data: Sales figures are unofficial, yearly highs and lows reflect previous 52 weeks plus current week, etc.

NYSE

Monday's Closing... Includes the nationwide prices up to the closing on Wall Street and do not reflect... elsewhere. Via The Associated Press

(Continued)

Table of NYSE stock market data including various stock symbols, prices, and volume.

Table of international stock market data from various countries.

Table of international stock market data from various countries.

Table of international stock market data from various countries.

Crossword puzzle section with clues for Across and Down, and a grid.

Advertisement for COCO L'ESPRIT DE CHANEL featuring a black and white photograph of a woman.

Advertisement for NATIONAL TANKER CO., (PVT) LTD ACQUISITION OF UP TO 7 YEARS OLD CRUDE OIL TANKER.

Market Tune Sells in Prague

Belgian Sees Big Profits in Privatization

By Roger Cohen
New York Times Service

PRAGUE — A grand piano stands in the middle of the office, but the only music is Bruce Springsteen's "Human Touch" on the sound system. Moldings of violins adorn the corners, but the only instruments are cellular telephones and computers. "I hope," says Jean-Claude Van Gansen, "that this mix makes my clients confident."

Whatever the appeal of Mr. Van Gansen's headquarters in the music room of a 19th Century mansion, its eclectic style is appropriate. For this former jeans retailer from Belgium is trying to make a fortune by wedding the financial savvy of the West with the myriad opportunities in an Eastern Europe emerging from years of Communist inertia.

Like hordes of other entrepreneurs drawn to this new capitalist frontier, he wants a piece of the action in what amounts to a gold rush. His company, East-West Finance, might as aptly be called Wild-West Finance.

Mr. Van Gansen, 40, arrived here from Brussels five days after Czechoslovakia's Communist regime fell in December 1989. He had sold his Jeans Fizz chain of stores in Belgium and reckoned there was money to be made in the East European lurch to capitalism.

"I soon found the problem is not looking for opportunities but limiting yourself," he said. "Imagine the scene: No advertisements, no marketing, no stock market or fast food, no financial regulations, virtually no private enterprises and just a scant notion of profit and loss. In such circumstances, chutzpah, slickness, style and persistence count for more than the lessons of Wharton or Harvard."

Mr. Van Gansen — who manages to look both cherubic and fairly ruthless — moved fast. He started the country's first billboard business and now has 35 percent of that market.

Then he and a partner bought the rights to produce the Czechoslovak Yellow Pages, and later sold them to New York Telephone for what he calls "a big profit." A move into real estate followed: an office block is under construction.

The opportunities, even now, remain vast. A blowout sale of 1,446 state-owned companies valued by the government at \$9.3 billion began this month, and Mr. Van Gansen is among those who intend to profit.

There is plenty of dross among the firms being sold but there are also some jewels, among them the renowned Pilsener brewery, another brewery named Budweiser (the original, it claims), several glass factories and some excellent ceramics companies.

The nifty thing about the sale is that nobody really knows the value of these companies. In the absence of a market, any valuation is difficult, so there should be bargains.

Mr. Van Gansen is shopping, too. Using aggressive TV advertising last year, when a 30-second spot cost as little as \$1,000, he guaranteed a 15-fold return in a year to people who ceded him their booklets. He has set up a

U.K. Seeks Canary Wharf Solutions

Reuters

LONDON — British government ministers met Monday to find a solution to the collapsed Canary Wharf property project but ruled out paying for a rescue.

"We are not discussing a rescue of Canary Wharf," a senior official said after Lord Wakeham, who is leading the effort to salvage the project, met with ministers.

Prime Minister John Major has appointed Lord Wakeham to coordinate efforts to deal with the Canary Wharf crisis, allowing Mr. Major to avoid accusations of bail-

Exor's Profit Plunged By 86% in 1991-92

Compiled by Our Staff From Dispatches

PARIS — Exor SA, the wine and real estate holding company that formerly controlled Perrier, said Monday that its net profit in the latest financial year had plummeted because of lower wine prices and a year-earlier gain that was not repeated.

Exor, controlled since March by Italy's Agnelli family, said profit for the year ended Jan. 31 had fallen 86 percent, to 25.5 million French francs (\$4.7 million).

The Agnelli company IFINT SA was allowed to keep Exor's Paris real estate and Chateau Margaux wine interests as part of a settlement ending a takeover battle against Nestlé SA for Source Perrier SA. Nestlé kept the mineral water and cheese company, in which Exor had a 35.5 percent stake directly and through a subsidiary.

Exor said the 1991-92 profit included its share in Perrier's earnings, which were 325.28 million francs for calendar 1991.

Exor, formerly controlled by the Menzelopoulos family, said the

decline in profit occurred largely because the 1990-91 figure had been swollen by a 226.7 million franc one-time gain from the sale of real estate. Thus, total extraordinary profit for 1991-92 fell to 21.5 million francs, from 229.8 million the previous year.

Exor said its 1991-92 results also reflected a drop in earnings at Chateau Margaux, due to a decline in the prices of its 1990 vintage and the company's new, more rigorous wine selection policy.

The value of Exor's wine stocks fell 1.3 percent to 38.1 million francs, the holding company said. Still, group operating profit in 1991-92 rose 4.2 percent to 145.1 million francs, Exor said.

Breaking that down, Exor said sales at Chateau Margaux declined 12.5 percent to 72.1 million francs, while revenue from property rose 5.3 percent to 146.1 million francs.

Exor also said it had postponed some sizeable projects, in particular involving its investment portfolio, during the year.

(Reuters, Bloomberg)

Investor's Europe

Exchange	Index	Monday Close	Prev. Close	% Change
Frankfurt DAX	2700	2600	2600	-0.37
London FTSE 100 Index	2700	2600	2600	-0.37
Paris CAC 40	2100	2000	2000	-0.48
Amsterdam CBS Trend	130.30	130.30	131.00	-0.53
Brussels Stock Index	5,940.84	5,936.53	5,936.53	+0.07
Frankfurt DAX	1,798.14	1,803.22	1,803.22	-0.28
Frankfurt FAZ	718.34	721.17	721.17	-1.01
Helsinki HEX	829.22	837.70	837.70	-0.39
London Financial Times 30	2,104.70	2,113.00	2,113.00	-0.37
London FTSE 100	2,697.60	2,707.60	2,707.60	+0.08
Madrid General Index	260.10	259.90	259.90	+0.08
Milan MIB	983.00	980.00	980.00	+0.31
Paris CAC 40	2,017.40	2,033.29	2,033.29	-0.78
Stockholm Affarsvarlden	1,116.71	1,102.52	1,102.52	+1.29
Vienna Stock Index	448.33	447.82	447.82	+0.11
Zurich SBI	671.10	671.00	671.00	+0.01

Very briefly:

- Romania began distributing free vouchers to some 16 million citizens in a plan to transfer a 30 percent share in state enterprises to private hands.
- Poland unveiled the framework for its privatization program, envisaging the hand-over of a controlling share in about 200 large companies to funds run by consultants, most of them Western; Polish individuals will, for a small fee, be entitled to register for shares in the funds.
- Buderus AG, the German heating-products and aircraft-equipment manufacturer bought by Metallgesellschaft AG from Sweden's Stora Kopparbergs Bergslags AB, will return to the stock market this month in a flotation worth 215 million DM (\$133 million), Deutsche Bank AG said.
- TF1, the French private television channel, said sales rose 15 percent to 1.719 billion francs (\$318 million) in the first quarter.
- Winterthur, the Swiss insurer, said it expected consolidated gross premium income of 16 billion francs (\$11 billion) and a record profit in 1992 in the absence of a major natural disaster; in 1991, net consolidated profit was 262.9 million francs.
- Bernard Tapie will announce by the end of this month whether he will sell his 54 percent stake in Adidas, the chairman of Mr. Tapie's German holding company said.
- Banco Bilbao Vizcaya SA said it had taken a 20 percent stake in a General Electric Co. unit, General Electric Capital of Puerto Rico, for 2 billion pesetas (\$20 million).
- Westland Group PLC said pretax profit rose more than 10 percent in the six months to the end of March, to £10.4 million (\$18.8 million); sales fell to £198.1 million, from £241.4 million.
- VIAG AG, the energy and chemicals concern, said sales rose 26 percent in the first quarter, to 6.2 billion DM.
- West Rand Consolidated Mines Ltd., west of Johannesburg, has halted nearly all underground operations and dismissed 1,100 of 1,400 employees because of the low price of gold, according to its operator, GenGold.
- Carlsberg said its first-half pretax profit rose 7.5 percent, to 670 million kroner (\$107 million).

Siemens Stock Falls as Bond Issue Expected

Bloomberg Business News

LONDON — Siemens AG shares slid 0.7 percent Monday in Frankfurt as Eurobond traders in London said they were expecting a sale of bonds with equity warrants of as much as \$1 billion on Tuesday.

The stock fell 4.90 Deutsche marks, to 694 DM (\$430).

The company has an outstanding issue of \$833.33 million of bonds with warrants, sold in June 1986. Warrants from that issue, which give investors the right to buy Siemens shares at 620 DM, cannot be exercised after June 19.

Siemens has invested 3 billion DM in Eastern Europe in recent years, Dennis Exton, analyst at Merrill Lynch International, said that "now, they'd like to recover some capital by taking advantage of a healthy equity and capital market."

Japan Criticizes EC Trade Report

Reuters

TOKYO — A European Commission policy paper on trade includes thinking that the Japanese system is different from the rest of the world and this position could prove counterproductive, Japanese officials said Monday.

An outline of a Foreign Ministry statement that the officials said would be issued later called the executive body's paper, released May 20, discouraging to Japan because it focused more than was considered necessary on problems in economic and trade relations.

The paper failed to consider future Japan-EC relations in a global perspective, the outline said.

Ministry officials also criticized the paper for its concentration on what Japan should do, saying it did not consider steps Japan had already taken such as reducing the consumption tax on cars, revising laws making it easier for foreign retail outlets to open in Japan and firming application of Japan's anti-monopoly law.

Japan hopes to appeal to individual European leaders to reject the commission's recommendations, Foreign Ministry officials said.

The commission urged EC governments to consider opening bilateral talks with Japan if GATT world trade talks failed to reverse a chronic trade deficit.

The commission said its strategy was influenced by concern that the United States and Japan were making bilateral trade arrangements which left EC business out in the cold.

The EC commission decided earlier in the year to rethink its whole approach to Japan after a joint declaration signed last July did nothing to improve the trade balance.

EC governments were urged to use new powers to coordinate foreign and security policy in order to pressure Tokyo to implement policies to promote growth and stimulate demand.

JAPAN: Plan for New World of Computers Is Ended

(Continued from page 1)

tion has raised questions here about the efficacy of the Ministry of International Trade and Industry's carefully coordinated public-private combines.

The agency's power to focus money and manpower on globally important industries has been cited by American scholars and business people as one of the institutional structures that makes Japan hard to compete against in the world market. In areas like automobiles and complex semiconductor chips, the ministry worked with Japan's big companies to target particular markets where Japan would channel its technical and manufacturing might.

But as this disappointing computer effort shows, industrial Japan no longer works like a national monolith. The industrial structure once labeled Japan Inc. is a more multifaceted and competitive place these days. And to the extent that Japanese companies are forming research teams, they are doing so largely through joint ventures with American and European companies.

Indeed, for all the money — more than \$400 million — and attention lavished on the Fifth Generation project the Japanese computer grants have been conspicuous by their absence. Hitachi Ltd., Toshiba Corp., Mitsubishi Corp. and Oki Electric Industry Co. each built one-of-a-kind research computers for the ministry's researchers, but none has sought to market the project's approach to high-powered computing.

Even the Ministry of International Trade and Industry seemed to change its emphasis midway through the program. Rather than targeting a lucrative market for Japanese domination, the agency has recently been promoting the Fifth Generation as a chance for Japan to contribute technological research to the rest of the world.

Another reason the Fifth Generation did not give Japan global hegemony in big computers is that U.S. high-tech companies have not ignored the Japanese challenge, as American auto companies did for years. In fact, American technology is generally considered dominant today in the computing field at the heart of the Fifth Generation idea: massively parallel processing.

Parallel processing is a problem-solving technique in which several microprocessor units in a computer attack different parts of a big problem simultaneously.

This approach involves hardware intricacies — how to arrange and wire together the dozens or hundreds of processing units — and software problems as well.

While Japan's official research team has been working on this approach, U.S. companies, some of which did not even build comput-

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Write-Direct Pushes CSR Deep Into Loss

Small vertical text on the far right edge of the page, likely a continuation of an article or a sidebar.

SLA and BA Battle for Qantas Stake

By Michael Richardson
International Herald Tribune
SINGAPORE — Singapore Airlines and British Airways are locked in a strategic battle to gain a substantial stake in Qantas, Australia's international airline...

The United States and Japan Airlines earlier dropped plans to buy a stake in Qantas. The Australian carrier has extensive route networks to Asia, Europe and across the Pacific...

The two see the acquisition of Qantas as an essential stepping-stone to creating a global network.

merge Qantas and Australian Airlines and sell part of the new airline, government sources said, Reuters reported. Prime Minister Paul Keating said Sunday that under the merger option being considered by the government, about 70 percent of the merged entity would be sold to local and international investors...

Foreign carriers were to be allowed to buy a maximum of 35 percent of Qantas and 40 percent of Australian.

However, the government had vetoed proposals to merge Qantas and Australian, apparently fearing that this would create a powerful airline in Australia that would stifle competition.

Mr. Keating said Sunday that he wanted "substantial sections" of the equity of the merged carrier to be owned by "major international airlines who might wish to take a piece and manage it because part of the weakness of Qantas is its management structure."

Qantas is not allowed to carry domestic passengers within Australia. Analysts said that by removing this barrier and permitting Qantas to develop a solid domestic feeder network in Australia through a merger with Australian, the combined airline would be a more valuable target for SIA, BA and perhaps for other foreign airlines.

Reducing the state holding in the merged entity to 30 percent is also likely to be seen as a plus by foreign bidders worried about the possibility of interference from the Australian government. BA and SIA officials said Monday that they welcomed moves to strengthen Qantas. However, they said a final decision on whether to proceed with bidding for the merged entity would depend on the cost and the terms of the new Australasian aviation policy.

In Japan, Caution Pervades Forecasts

TOKYO — Caught off guard in the last business year, when an expected economic recovery failed to materialize, Japanese companies are treading carefully in their earnings forecasts for the current year. But as the timing and pace of Japan's economic recovery is difficult to call, cautious corporate forecasts could face revisions.

Some analysts say that companies may be erring on the side of caution. "Corporate Japan is shell-shocked by the implosion of the bubble economy, which deflated their balance sheets as well as their cash flows," said Jesper Kopp, economist at S.G. Warburg (Japan).

Investor's Asia
Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225. Includes line graphs and a table of exchange rates and indices for various Asian markets.

Very briefly: Japanese new vehicle sales fell 12.3 percent in May from a year earlier, to 379,205 units, the steepest fall since July 1984, the Japan Automobile Dealers' Association said; it cited the economic slowdown.

Japanese to Resume Indonesia Plant TOKYO — A Japanese consortium led by Marubeni Corp. has decided to resume its ethylene production plant in Indonesia after a government freeze on the project was lifted, a Marubeni spokesman said Monday.

Write-Down Pushes CSR Deep Into Loss
Bloomberg Business News
SYDNEY — CSR Ltd., the building and sugar company, on Monday said it had lowered its valuation of a broad range of assets, resulting in an after-tax loss of 385.3 million Australian dollars (\$292 million) for the year ended March 31.

Thai Tourism: The Damage Mounts

BANGKOK — The captains of Thailand's tourism industry, its biggest foreign-currency earner, said Monday that last month's political violence was a devastating blow that could cost hundreds of millions of dollars in lost revenue.

2 Wrap Makers Protest Indictment
TOKYO — Mitsubishi Plastics Industries Ltd. and Gunze Ltd., two Japanese plastic-wrap makers, said Monday that they had urged prosecutors to drop an indictment against them for alleged price-fixing.

The biggest blow has come from canceled bookings from Japan, whose big-spenders tourists make up the lion's share of Thailand's travel market. Cancellations by Japanese were running as high as 40 percent, senior travel industry officials said. Last year, 559,000 Japanese visited Thailand.

Auto Royalties Sought

TOKYO — An American inventor of graphic-processing technology is seeking patent royalties from several Japanese carmakers, officials of two of the automakers said Monday.

INTERNATIONAL FUNDS
June 1, 1992
Table listing various international funds with columns for fund name, currency, and other details.

Table listing various international funds with columns for fund name, currency, and other details.

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SPORTS FRENCH OPEN

In the Pierce-Capriati Prodigy Battle, Father Thinks He Knows Best

By Ian Thomsen
International Herald Tribune
PARIS — His only daughter is going to be the dominant player of the 1990s, Jim Pierce says.

not allowed himself to visit a bathroom for three days. He truly loves to watch his daughter play tennis, Jim Pierce says.

defining the name of his daughter, Jim Pierce says. "They started it," he said. "Every time Mary lost a point this one guy would say, 'Way to go, Mary,' or 'Make another mistake, Mary.' I told the guy to shut up, and everybody else told him to shut up. He kept doing it. Finally, I turned around and said, 'Listen, shut up, or that's it.' He said something else. I got up. He got up. Two of his

youngest women in the tournament, and in a short time Capriati, 16, has earned everything that the Pierces have been seeking — championships, endorsements, a following. Jim Pierce sits four seats and one aisle apart from Capriati's father, Stefano. Jim Pierce is wearing a black T-shirt and shorts, his lucky outfit for the week. He pulls out a camera and snaps photos of Mary and Jennifer meeting at the net for the coin toss.



As Mary Pierce, left, despaired, Jennifer Capriati was the image of satisfaction on Monday en route to her victory in straight sets.

While his daughter was swinging her racket on the court below, Jim Pierce was standing directly behind her, upstairs, throwing punches.

has never been anything less than serious about tennis. At 11, she was practicing eight hours per day. At 13, her family moved from Florida to France, believing Mary was not being treated fairly by the United States Tennis Association. They live now in the town of Villeneuve-Loubet, near Nice, and Mary, whose mother is French, will represent France in the Olympics. Her father is American. To this day he lambasts the USTA as a "bunch of crooks" who "build themselves \$400,000 or \$500,000 houses with USTA money" but "won't give a guy \$10 to help her develop." He would expend his final breath to defend his daughter. On Friday, therefore, it was nothing for him to punch out a couple of fans who

friends got up. Two of them went down, and I was still standing." While his daughter was swinging her racket on the court below, Jim Pierce was standing directly behind her, upstairs, throwing punches. "My right thumb is still swollen," Jim Pierce said, extending his hand together in comparison. "Yes, her match was going on at the time. They stopped their match in order to watch our match." She won her match and he won his, and now the two of them are in the room of 16. Although seeded 13th, Mary Pierce has never advanced this far in a Grand Slam event, and now she is declaring this match on Center Court against the fifth-seeded Capriati to be the biggest in her career. They are the two

He sits in his normal twitching pose, hands held above his head to applaud every victorious point. He continues to clap long after the audience has grown silent. Early in the match Mary holds serve on seven deuces — an emotional triumph, as she then breaks Capriati at love to go up 3-1 in the opening set. In the next game Capriati breaks back, but Pierce responds by building a love-40 advantage on Capriati's serve. At 15-40 Mary Pierce is hopping toward the net, about to smash an overhead winner that will put her in charge of the set, if not the match. The ball is now dribbling back to her feet. She has put it into the net. Her father removes his sunglasses and, with a long exhale, slowly slumps his entire body down from his seat, as if he is deflating, until at last he is horizontal with his feet. Finally his wife pokes at his back, telling him to sit up, worried that Mary will see him. "She's still so inexperienced and immature as a player," he said. She wastes a love-40 lead in that game, losing five consecutive points as Capriati holds serve. "Me?" Jim Pierce said. "At 40-love I let nobody in the world beat me."

Soccer Chief Charged in Bastia Case

PARIS — The president of the French soccer federation, Jean Fourquet-Fayard, was charged with manslaughter on Monday in connection with the collapse of a soccer stadium last month that left 15 people dead and hundreds injured. Fourquet-Fayard is the most senior soccer official to be indicted over the collapse of the temporary grandstand at the Furiani stadium on May 5 in Bastia, Corsica.

SIDELINES

Astros Make Nevin Top Draft Pick

NEW YORK (AP) — Phil Nevin, the third baseman for Cal State-Fullerton, was taken Monday by the Houston Astros as the top pick in major league baseball's amateur draft. Nevin, 21, is batting .398 with 21 homers and 81 runs batted in for Fullerton, which is playing in the College World Series.

Arbitration Panel Gets Krabbe Case

TORONTO (AP) — The International Amateur Athletic Federation ordered its three-member arbitration panel to give a final ruling in the doping case of the German sprinter Katrin Krabbe. The IAAF's president, Primo Nebiolo, said his organization is the final and definitive stop on any appeal process.

Sacramento Wins World Bowl Berth

SACRAMENTO, California (AP) — Cary Blanchard kicked a 46-yard field goal with 3:54 left to give the Sacramento Surge a 17-15 victory Sunday over the Barcelona Dragons in the World League's semifinal playoff game.

For the Record

The German swimmer Astrid Strauss, a silver medalist at the 1988 Olympics, has been banned from competition for six months because of a doping scandal. The ban is valid until Nov. 29.

Sampras, at Last, Finds His Clay Footing

American Hardcourt Star Crushes Steeb, as Agassi and Leconte Advance

By Nick Stuart
International Herald Tribune

PARIS — It must have been awkward for Pete Sampras to return to the country in which he played the Davis Cup dance: the guy who choked in Lyon six months ago when confronted by the highly inspired Frenchman Henri Leconte and Guy Forget. His tennis so far in the French Open, however, has been anything but awkward, and as Sampras prepares for a quarterfinal match against Andre Agassi he allows himself to dream the impossible dream: that a hardcourt player like himself might just be able to win the world's foremost tennis competition on clay. "This was the best clay-court match of my career," Sampras said Monday after a 6-4, 6-3, 6-2 drubbing of Carl-Uwe Steeb. "I was patient. I served extremely well. I played about as well as I can play." Sampras, ranked No. 3 in the world, behind Jim Courier and Stefan Edberg, might have used those same words after dispensing with Rodolphe Gilbert in straight sets Friday and Laurent Prades before that. In short, Sampras is reaping dividends now from his decision to forgo the hardcourt events this spring in Asia — where his chances of excelling were good — in order to prepare for Roland Garros on the European clay-court circuit.

SCOREBOARD

Table with 4 columns: Team, W, L, Pct. Major League Standings. Includes Eastern Division and West Division.

Table with 4 columns: Team, W, L, Pct. Sunday's Line Scores. Includes American League and National League.

Table with 4 columns: Team, W, L, Pct. Japanese Baseball. Includes Central League and Pacific League.

Table with 4 columns: Team, W, L, Pct. French Open. Includes Men's Singles and Women's Singles.

Table with 4 columns: Team, W, L, Pct. Cycling. Includes Giro d'Italia.

Table with 4 columns: Team, W, L, Pct. Transactions. Includes Baseball transactions.

Table with 4 columns: Team, W, L, Pct. Transactions. Includes Basketball transactions.

Large advertisement for AT&T USADirect Service. Features the text 'Feeling Misunderstood?' and 'AT&T USADirect Service makes it easy to call home.' Includes a grid of international access numbers for various countries.

ART BUCHWALD

What's the Question?

WASHINGTON — I'm trying to get my desk cleaned up before the summer. Here are some unanswered questions I found from readers.

A. There is an S & L elf who scoops up all the S & L deposits in a hot air balloon and sprinkles them over the rain forests in Brazil.



Buchwald

Q. Why did Chief Daryl Gates go to a Brentwood fund-raiser when the rioting started in Los Angeles?

Covent Garden Renovation

LONDON — The Royal Opera House will close in 1997 for a three-year, £250 million (\$450 million) rebuilding program.

Without missing a beat, Starr replied, "I'm not at liberty to answer." Pressed further, he added: "I can't say yes or no. I have a wife and family, you know."

It's Getting So Much Better for Ringo

By Allan Kozinn New York Times Service

NEW YORK — "It was just as terrified little bunny out there, you know?" is the surprising way Ringo Starr now describes his life as the drummer of the Beatles.



With his new album, "Time Takes Time," Ringo Starr is hoping to show that he is more than just a relic from the 1960s.

The bright spotlight in which the group stood took its toll on Starr, who in recent years has expressed regrets about abusing alcohol and drugs when he could have been enjoying the Beatles' success.

Starr, 51, began reclaiming his life in late 1988, when he checked into a rehabilitation program in Arizona for a month. The next summer, he toured the United States and Japan, singing Beatles songs and his own 70s hits, and shunning the rock tradition of post-concert debauchery as a way of testing his resolve.

Without missing a beat, Starr replied, "I'm not at liberty to answer." Pressed further, he added: "I can't say yes or no. I have a wife and family, you know."

Starr is not assuming that his album will find an audience, let alone climb the charts. He knows that his post-Beatles track record has been spotty. After a few early hits — the singles "It Don't Come Easy" and "Back Off Boogaloo" and the "Ringo" album in 1973 — his recording career went into a nosedive.

I'm real happy to be alive. And I'm saying, just say no. I would never have said that three and a half years ago. But I feel I have the right to say it now."

Starr has not lost the deadpan sense of humor that was part of his persona during the Beatles years. When he announced his tour at a news conference last month, an interviewer from a Russian television station asked him about a rumor that the Beatles once secretly united to perform for Soviet officials.

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agreed to take a chance on new studio material.

"From 'Goodnight Vienna' on, the records were going downhill," he said, referring to the fourth of his 10 albums. "It wasn't the producers or the musicians' fault but mine. I was just turning up, really. I wasn't involved. I mean, the 'Ringo the Fourth' album, where did we record that? I don't even know. 'Old Wave,' I think, was the end of the party."

The choice of musicians explains a certain familiarity in the album's sound: the twangy electric guitars, the bass lines that weave elegantly through the texture, the sweetly harmonized backing vocals that repeat verse lines and chime in on the choruses and, of course, the steady drumming and plaintive baritone that have been Starr's trademarks ever since he piped up to sing "Boys" on the Beatles' first album in 1963.

"That's what everyone will say," Starr said of the new album's Beatles-like qualities. "And you know, I backed away from it until Don Was said, 'But every band out there is trying to sound like the Beatles; you were at least one of them.' And I said, 'Yeah, why am I hung up about this?'"

Was confirmed that getting Starr to feel comfortable about edging toward the Beatles' sound took some persuasion. "But people want honesty from an artist," the producer said. "They want them to be what they are, and Ringo was an important part of the overall feel and personality of the Beatles. I think it rings truer to incorporate that sound than to run from it."

It's still a dream of mine to make a record with one set of musicians, and that will be the band I tour with," Starr said. "This time it didn't work out. But it will. We have plenty of time, and I feel, if not this year then next year. What's the hurry? It's back to my new attitude. I wanted instant gratification in the old days, and if I didn't get it, I was angry. Now I'm willing to wait. And my life is so much better for it."

PEOPLE

'Guys and Dolls' Leads Tony Award Winners

"Crazy for You" was awarded best musical and Jerry Zaks won best director of a musical for "Guys and Dolls" at the Tony Awards in New York. There was no big winner but "Guys and Dolls" led with four awards, including best revival, "Jelly's Last Jam" got three, one of which was for best actor in a musical for its star, Gregory Hines. "Crazy for You" also won for Susan Stroman's choreography. The award for best play went to Brian Friel for his "Dancing at Lughnasa," which also won best director for Patrick Mason. "Falsoito," the William Finn-James Lapine musical dealing with the AIDS crisis, won two awards. Finn and Lapine shared best book of a musical honors, and Finn won, for best original score. Glenn Close won best actress in a play for "Death and the Maiden." Picking up one award each were "The Most Happy Fella" (Scott Waara for best featured actor in a musical), "Two Trains Running" (Larry Fishburne, for best featured actor in a play), "Conversations with My Father" (Judd Hirsch, for best leading actor in a play) and "Death and the Maiden," with its award to Close.

Princess Stéphanie of Monaco says she is going to have a baby and get married. Stéphanie, 26, the youngest child of Prince Rainier, was quoted as telling the Italian magazine Oggi, "Yes, it's true, I'm going to have a baby at the end of November and the father is Daniel Ducruet." Ducruet is a 27-year-old bodyguard for the royal family. Monaco's spokeswoman, Jacqueline Berti, however, said rumors about Stéphanie's pregnancy were "absolutely unfounded."

CBS News has signed General H. Norman Schwarzkopf, commander of the Allied forces in the Gulf War, to a three-year agreement to host a series of news documentaries and specials. CBS would not say how much it is paying him.

The Japanese architect Tadao Ando has received the 1.6 million kroner (\$252,000) Carlsberg Architectural Prize, the world's biggest. Queen Margrethe II of Denmark gave Ando, who designed the Japanese pavilion at Seville's World Fair, the prize in Copenhagen.

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